

Financial Report
Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana
For the year ended June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-10-07

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Lafourche Parish Juvenile Justice Commission

June 30, 2006

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PRINCIPAL OFFICIALS

Lafourche Parish Juvenile Justice Commission

June 30, 2006

COMMISSION MEMBERS

OFFICE

Randall Bertrand

Alice Bonneval

Marian Fleming

Lloyd J. Guidry, Sr.

Secretary/Treasurer

Craig Stanga

Nicole Lombas

Marion Terry

President

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the general fund of Lafourche Parish Juvenile Justice Commission, State of Louisiana (the Commission), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities and the general fund of Lafourche Parish Juvenile Justice Commission as of June 30, 2006, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated August 2, 2006 on our consideration of the Lafourche Parish Juvenile Justice Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 7 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
August 2, 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Juvenile Justice Commission

The Management's Discussion and Analysis of the Lafourche Parish Juvenile Justice Commission's (the Commission) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2006 by \$2,073,562 (net assets), which represents a 4.58% increase from last fiscal year.

The Commission's revenue increased \$247,903 (or 10.89%) primarily due to the receipt of the Lorio Foundation grant, FEMA Reimbursement as a result of Hurricane Katrina, and increases in collections of Ad Valorem taxes.

The Commission's expenses increased \$174,640 (or 7.73%) primarily due to an increase in personal services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's financial statements consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission :

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The statement of activities presents information showing how the Commission's net assets changed during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Commission is public safety which is comprised of various programs that include an Emergency Shelter Unit which serves as a temporary shelter for abused and neglected youths, a Group Home Unit which is a long-term treatment program for abused and neglected youths and a Detention Unit which provides secure custody ordered by the courts for troubled youth.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission maintains one type of fund, governmental.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 8-12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. As of June 30, 2006, assets exceeded liabilities by \$2,073,562. A large portion of the Commission's net assets (74.53%) reflects its investment in capital assets (buildings; furniture, fixtures and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Assets

	June 30		Dollar
	2006	2005	Change
Current and other assets	\$ 1,398,919	\$ 1,331,940	\$ 66,979
Capital assets	1,545,499	1,495,218	50,281
Total assets	2,944,418	2,827,158	117,260
Current liabilities	790,801	770,371	20,430
Long-term liabilities	80,055	73,959	6,096
Total liabilities	870,856	844,330	26,526
Net Assets:			
Invested in capital assets	1,545,499	1,495,218	50,281
Unrestricted	528,063	487,610	40,453
Total net assets	\$ 2,073,562	\$ 1,982,828	\$ 90,734

Governmental Activities

Governmental activities increased the Commission's net assets by \$90,734. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	June 30		Dollar	Total
	2006	2005	Change	Percent
Revenues:				
Ad valorem taxes	\$ 1,383,878	\$ 1,320,226	\$ 63,652	4.82%
Intergovernmental	996,918	932,151	64,767	6.95%
Charges for services	3,660	2,580	1,080	41.86%
Miscellaneous	140,678	22,274	118,404	531.58%
Total revenues	2,525,134	2,277,231	247,903	10.89%
Expenses:				
General government	79,700	60,334	19,366	32.10%
Public safety	2,354,700	2,199,426	155,274	7.06%
Total expenses	2,434,400	2,259,760	174,640	7.73%
Increase in net assets	90,734	17,471	73,263	419.34%
Net assets beginning of year	1,982,828	1,965,357	17,471	0.89%
Net assets end of year	\$ 2,073,562	\$ 1,982,828	\$ 90,734	4.58%

For the most part, increases in total revenues are due to the receipt of the Lorio Foundation grant, FEMA Reimbursement as a result of Hurricane Katrina, and the increase in property taxes. The increase in total expenses is primarily due to the increase in personal services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission's governmental fund reported ending fund balance of \$608,118, an increase of \$46,549 in comparison with the prior year. The fund balance is unreserved which indicates they are available for spending at the Commission's discretion.

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual (Exhibit E) for the General Fund displays the original budget, final budget and actual amounts in columns with a variance column showing the favorable or (unfavorable) difference of the actual and the final budget. The budget was amended one time during the year. The primary reason for amending the budget is to prevent compliance violations under state law. There were no differences between the original General Fund budget and the final amended budget.

During the year, revenues exceeded budgetary estimates and expenditures exceeded budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Commission's investment in capital assets for its governmental activities as of June 30, 2006, amounts to \$1,545,499 (net of accumulated depreciation). This investment in capital assets includes buildings, furniture, fixtures and equipment (see table below).

	<u>2006</u>	<u>2005</u>
Buildings	\$ 1,395,876	\$ 1,380,405
Furniture, fixtures and equipment	<u>149,623</u>	<u>114,813</u>
Totals	<u>\$ 1,545,499</u>	<u>\$ 1,495,218</u>

Major capital asset events during the current fiscal year included the following:

- New roofing throughout facility totaling \$81,874.
- Purchase of Power Generator totaling \$42,970.

Additional information on the Commission's capital assets can be found in the Note 5, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Consideration of funding to be received from contracts and grants.
- The Ad Valorem Tax revenue budgeted represents the estimated amount for the November 2006 assessment, which the Commission will receive, for the most part, in January 2007.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Estimate of operating supplies needed to perform necessary services.
- Services the Commission will provide along with estimated service cost.
- Detail plan of equipment needed to be purchased.

The Commission receives most of its funding from federal and state agencies and local taxes. Because of this, the source of income for the Commission is rather steady. However, some of the Commission's grants and contracts are contingent upon the level of service provided by the Commission, and therefore, revenues from grants may vary from year to year. There have been no significant changes to funding levels or terms of the grants and contracts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Commissions of the Lafourche Parish Juvenile Justice Commission, P.O. Box 586, Thibodaux, Louisiana 70302.

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET

Lafourche Parish Juvenile Justice Commission

June 30, 2006

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 590,224		\$ 590,224
Investments	700,000		700,000
Receivables - taxes	31,879		31,879
Due from other governmental units	76,816		76,816
Capital assets, net of accumulated depreciation	<u>-</u>	<u>\$ 1,545,499</u>	<u>1,545,499</u>
Total assets	<u><u>\$ 1,398,919</u></u>	<u>1,545,499</u>	<u>2,944,418</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 108,883	-	108,883
Deferred revenue	681,918	-	681,918
Long-term liabilities - due after one year	<u>-</u>	<u>80,055</u>	<u>80,055</u>
Total liabilities	<u>790,801</u>	<u>80,055</u>	<u>870,856</u>
Fund Balance/Net Assets			
Fund balance - unreserved	<u>608,118</u>	<u>(608,118)</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 1,398,919</u></u>		
Net assets:			
Invested in capital assets		1,545,499	1,545,499
Unrestricted		<u>528,063</u>	<u>528,063</u>
Total net assets		<u><u>\$ 2,073,562</u></u>	<u><u>\$ 2,073,562</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Lafourche Parish Juvenile Justice Commission

June 30, 2006

Fund Balance - Governmental Fund	\$ 608,118
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Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental fund.

Governmental capital assets

\$ 3,007,151

Less accumulated depreciation

(1,461,652)

1,545,499

Long-term liabilities are not due and payable
in the current period and therefore are not
reported in the governmental fund.

Compensated absences payable

(80,055)

Net Assets of Governmental Activities

\$ 2,073,562

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

	General Fund	Adjustments (Exhibit D)	Statement of Activities
Revenues			
Taxes	\$ 1,383,878		\$ 1,383,878
Intergovernmental :			
Federal Government -			
FEMA reimbursement	22,143		22,143
State of Louisiana	974,775		974,775
Charges for services	3,660		3,660
Miscellaneous:			
Grants	112,500		112,500
Interest	15,847		15,847
Other	12,331		12,331
Total revenues	<u>2,525,134</u>		<u>2,525,134</u>
Expenditures/Expenses			
Current:			
General government:			
Ad valorem tax adjustment	35,440		35,440
Ad valorem tax deduction	44,260		44,260
Total general government	<u>79,700</u>		<u>79,700</u>
Public safety - special			
correctional facilities:			
Personal services	1,761,202	\$ 6,096	1,767,298
Operating services	314,912	159	315,071
Supplies and materials	177,229	-	177,229
Depreciation	-	95,102	95,102
Total public safety	<u>2,253,343</u>	<u>101,357</u>	<u>2,354,700</u>
Capital outlay	<u>145,542</u>	<u>(145,542)</u>	<u>-</u>
Total expenditures/expenses	<u>2,478,585</u>	<u>(44,185)</u>	<u>2,434,400</u>
Excess of Revenues Over Expenditures	46,549	(46,549)	-
Change in Net Assets	-	90,734	90,734
Fund Balance/Net Assets			
Beginning of year	<u>561,569</u>	<u>1,421,259</u>	<u>1,982,828</u>
End of year	<u>\$ 608,118</u>	<u>\$ 1,465,444</u>	<u>\$ 2,073,562</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

Net Change in Fund Balance - Governmental Fund **\$ 46,549**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 145,542	
Depreciation expense	<u>(95,102)</u>	
Excess of depreciation expense over capital outlay		50,440

The net effect of various miscellaneous transactions involving net assets, such as sales, trade-ins and donations, is to decrease net assets		(159)
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Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in the governmental fund.

Increase in compensated absences payable		<u>(6,096)</u>
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Change in Net Assets of Governmental Activities **\$ 90,734**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Taxes	\$ 1,326,915	\$ 1,326,915	\$ 1,383,878	\$ 56,963
Intergovernmental:				
Federal Government -				
FEMA reimbursement	-	-	22,143	22,143
State of Louisiana	919,400	919,400	974,775	55,375
Other local governmental units	30,000	30,000	-	(30,000)
Charges for services	2,000	2,000	3,660	1,660
Miscellaneous:				
Grants	-	-	112,500	112,500
Interest	7,500	7,500	15,847	8,347
Other	-	-	12,331	12,331
Total revenues	<u>2,285,815</u>	<u>2,285,815</u>	<u>2,525,134</u>	<u>239,319</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	35,440	35,440	35,440	-
Ad valorem tax deduction	44,260	44,260	44,260	-
Total general government	<u>79,700</u>	<u>79,700</u>	<u>79,700</u>	<u>-</u>
Public safety - special				
correctional facilities:				
Personal services	1,780,000	1,780,000	1,761,202	18,798
Operating services	330,350	330,350	314,912	15,438
Supplies and materials	172,850	172,850	177,229	(4,379)
Travel and other charges	4,000	4,000	-	4,000
Total public safety	<u>2,287,200</u>	<u>2,287,200</u>	<u>2,253,343</u>	<u>33,857</u>
Capital outlay	<u>21,000</u>	<u>21,000</u>	<u>145,542</u>	<u>(124,542)</u>
Total expenditures	<u>2,387,900</u>	<u>2,387,900</u>	<u>2,478,585</u>	<u>(90,685)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(102,085)	(102,085)	46,549	148,634
Fund Balance				
Beginning of Year	<u>500,919</u>	<u>500,919</u>	<u>561,569</u>	<u>60,650</u>
End of Year	<u>\$ 398,834</u>	<u>\$ 398,834</u>	<u>\$ 608,118</u>	<u>\$ 209,284</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche Parish Juvenile Justice Commission

June 30, 2006

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish Juvenile Justice Commission (the Commission) was created in 1978 under the provisions of Article VI, Sections 5 and 15 of the Constitution of the State of Louisiana of 1974, and Article III of the Home Rule Charter of the Parish of Lafourche to acquire and administer a juvenile justice facility or facilities.

The powers of the Commission, control and management of the affairs of the Commission, are vested in a board of commissioners composed of seven qualified electors residing in Lafourche Parish. The commissioners are appointed from the North, South and Central regions of the Parish by the Lafourche Parish Council from names submitted by the Seventeenth Judicial District Judges, the Lafourche Parish School Board and by members of the Lafourche Parish Council.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Commission is a component unit of the Lafourche Parish Council.

The Commission has reviewed all of its activities and determined there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the Commission continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2005 property taxes which are being levied to finance expenditures for the 2006 calendar year will be recognized as revenue in the fiscal years ending June 30, 2006 and 2007. Accordingly, approximately one half of the 2005 tax levy is recorded as deferred revenue at June 30, 2006. Intergovernmental revenues consist of per diem funding received on a per client/unit bases. These funds, along with charges for services, are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Commission or an intermediary collecting agency because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Commission. The Commission did not amend its budget during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget is included in the financial statements.

f) Accounts Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments consist of certificates of deposit which are stated at cost and approximate market value.

h) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Assets (Continued)

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 - 40 years
Furniture, fixtures and equipment	3 - 20 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

i) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accrued compensated absences-vacation and compensatory time.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations (Continued)

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

j) Vacation and Sick Leave

The Commission's policies regarding vacation permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Eligible personnel will earn credits for annual vacation and sick leave for each month of employment. The amount of credits earned is based upon length of service. At the end of each calendar year accumulated vacation and sick leave is carried forward to the new year. At no time can an employee's accumulated vacation balance exceed 15 days more than the rate of accrual. All accumulated vacation vests to the employees; however, all accumulated sick leave lapses at separation of employment.

Compensatory time will be given to those employees not subject to overtime pay. Rate of accrual will be hour for hour with the limitation of ten work days per calendar year. Compensatory time accrued should be taken within the calendar year in which it is accrued. The Commission will pay up to 5 days of the unused compensatory time at the close of the year.

k) Fund Equity

Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. At June 30, 2006 the Commission had no outstanding borrowings that are attributable to capital assets.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2006, the Commission did not have restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Note 2 - DEPOSITS (Continued)

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 606,645	\$ 590,224
Investments:		
Certificates of deposit	<u>700,000</u>	<u>700,000</u>
Totals	<u>\$1,306,645</u>	<u>\$1,290,224</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2006, \$959,391 of the Commission's bank balance of \$1,306,645 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Commission's name.

At June 30, 2006, cash and certificates of deposit in excess of the FDIC insurance were adequately collateralized by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2004. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for 2005 was \$3.20 per \$1,000 of assessed valuation on property within Lafourche Parish for

Note 3 - PROPERTY TAXES (Continued)

the purpose of maintaining and operating the facilities. As indicated in Note 1c, taxes levied November 1, 2005 are used to fund expenditures in calendar year 2006, and one half of the 2005 tax levy was recognized as revenues in the fiscal year ended June 30, 2006 with the balance being recognized in the year ending June 30, 2007.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2006 consisted of the following:

State of Louisiana:	
Department of Social Services	\$60,461
Department of Education	6,511
Department of Public Safety	<u>9,844</u>
Total	<u>\$76,816</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Capital assets being depreciated:				
Buildings	\$ 2,586,791	\$ 84,328	\$ -	\$ 2,671,119
Furniture, fixtures and equipment	<u>299,374</u>	<u>61,214</u>	<u>24,556</u>	<u>336,032</u>
Total capital assets being depreciated	<u>2,886,165</u>	<u>145,542</u>	<u>24,556</u>	<u>3,007,151</u>
Less accumulated depreciation for:				
Buildings	(1,206,386)	(68,857)	-	(1,275,243)
Furniture, fixtures and equipment	<u>(184,561)</u>	<u>(26,245)</u>	<u>(24,397)</u>	<u>(186,409)</u>
Total accumulated depreciation	<u>(1,390,947)</u>	<u>(95,102)</u>	<u>(24,397)</u>	<u>(1,461,652)</u>
Total capital assets, net	<u>\$ 1,495,218</u>	<u>\$ 50,440</u>	<u>\$ 159</u>	<u>\$ 1,545,499</u>

The juvenile justice facility is on a 10.0-acre tract of land that is owned by the Lafourche Parish Council. The land is being used under an intergovernmental agreement between the Council and the Commission at no cost to the Commission.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at June 30, 2006 consisted of the following:

Salaries and benefits	\$ 25,681
Protest taxes	47,296
Vendors	<u>35,906</u>
Total	<u>\$108,883</u>

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in the long-term obligations of the Commission for the year ended June 30, 2006:

Long-term obligations, July 1, 2005:	
Vacation and sick leave	\$ 62,763
Compensatory time	<u>11,196</u>
	73,959
Net increase in accumulated unpaid	
Compensated absences	<u>6,096</u>
Long-term obligations, June 30, 2006	<u>\$ 80,055</u>

Note 8 - LEASE COMMITMENTS

The Commission has entered into an operating lease agreement for a vehicle with monthly payments of \$350. The lease agreement is for 36 months and expires April 1, 2008.

Rental expenditures for the year ended June 30, 2006 were \$4,200. The future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 3,887	\$ 313	\$ 4,200
2008	<u>3,411</u>	<u>89</u>	<u>3,500</u>
Totals	<u>\$ 7,298</u>	<u>\$ 402</u>	<u>\$ 7,700</u>

Note 9 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 10- COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2006.

Note 11- CLAIMS AND CONTINGENCIES

The Commission is a defendant in a lawsuit. While it is not feasible to predict or determine the outcome of this matter, it is the opinion of management that the ultimate outcome will not have a material adverse effect on the financial position of the Commission. Accordingly, no obligation for the claim has been recognized by the Commission in the financial statements.

The state of Louisiana incurred significant losses as a result of Hurricanes Katrina and Rita in August and September 2005. Hurricane relief and recovery efforts have stretched the State's finances and increased the likelihood of cuts in the Commission's future funding from the State. If significant budget cuts are made at the Federal, state and local government levels, the amount of funds that the Commission will receive could be reduced significantly and have an adverse impact on its operations. Management is not able to estimate at this time the amount of funds that the Commission will receive from future state funding. However, Management believes that it will receive sufficient funds to avoid a material impact on the Commission's future operations.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited the financial statements of Lafourche Parish Juvenile Justice Commission (the Commission), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated August 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. We noted a certain matter that we reported to management of the Commission in a separate letter dated August 2, 2006.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
August 2, 2006.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

b) Federal Awards

Lafourche Parish Juvenile Justice Commission did not receive federal awards in excess of \$500,000 during the year ended June 30, 2006 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2006.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2005.

No reportable conditions were reported during the audit for the year ended June 30, 2005.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2005.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Juvenile Justice Commission did not receive federal awards in excess of \$500,000 during the year ended June 30, 2005 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

05-1 **Recommendation** - We recommend that the Commission comply with state law and include Management's Discussion and Analysis in its financial statements.

Management's Response – The Commission prepared Management's Discussion and Analysis as required by the Governmental Accounting Standards Board and included it in its financial statements for the year ended June 30, 2006.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2006.

No reportable conditions were reported during the audit for the year ended June 30, 2006.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2006.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Juvenile Justice Commission did not receive federal awards in excess of \$500,000 during the year ended June 30, 2006 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

- 06-1 **Condition** – The Commission considered a roof replacement project a public works contract. However, upon reviewing the project, we noted the roofing project was split into two separate purchase transactions. In one transaction, the roofing supplies were purchased and paid for separately. In the second transaction, quotes for the labor of replacing the roof were received and paid for separately as well. Accordingly, we believe that the purchasing of the roofing supplies falls under Louisiana Revised Statutes 38:2211-2225 requiring the purchase of materials and supplies exceeding the sum of \$20,000 to be advertised and let to the lowest responsible bidder.

Management's Corrective Action – The Commission will comply with state bid law for future purchases.



Bourgeois Bennett

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited the financial statements of the Lafourche Parish Juvenile Justice Commission (the Commission), a component unit of the Lafourche Parish Council, as of and for the year ended June 30, 2006, and have issued our report thereon dated August 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements, dated August 2, 2006, and our report on internal control and compliance with laws, regulations and contracts, dated August 2, 2006.

During our audit we became aware of a matter, which represents immaterial noncompliance with certain provisions of laws, regulations, contracts and grants. The memorandum that accompanies this letter summarizes our suggestions and recommendations regarding this matter. We previously reported on the Commission's compliance in our report dated August 2, 2006. This letter does not affect our report dated August 2, 2006 on the financial statements of the Commission.

We will review the status of this comment during our next audit engagement. We have already discussed the comments and recommendations with the Commission, and we will be pleased to discuss them in further detail at your convenience, to perform an additional study of the matters or to assist you in implementing the recommendation.

Sincerely,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
August 2, 2006.

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MANAGEMENT COMMENTS

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2006

06 - 1 **Condition** – The Commission considered a roof replacement project a public works contract. However, upon reviewing the project, we noted the roofing project was split into two separate purchase transactions. In one transaction, the roofing supplies were purchased and paid for separately. In the second transaction, quotes for the labor of replacing the roof were received and paid for separately as well. Accordingly, we believe that the purchasing of the roofing supplies falls under Louisiana Revised Statutes 38:2211-2225 requiring the purchase of materials and supplies exceeding the sum of \$20,000 to be advertised and let to the lowest responsible bidder.

Recommendation – We recommend that the Commission comply with State bid laws by advertising the purchase of materials in excess of \$20,000.